

Chairman Kucinich: You Can Take Back your Legal Rights

Domestic Policy Subcommittee Highlights Banks that Don't Cost your Constitutional Rights

Washington D.C. (October 7, 2010) – Chairman Dennis Kucinich (D-OH) is today releasing a chart created by his Domestic Policy Subcommittee that graphically portrays major banks and the extent to which they require their customers to sign away their legal rights as a precondition of doing business.

See the chart [here](#) .

“Over the past decade, American consumers have lost many legal rights, **not** by the actions of legislatures or courts, but by banks and other large corporations that have made the relinquishment of those rights a condition of the daily financial transactions of our lives.

“With fine print in lengthy contracts that spell out ‘Terms and Conditions,’ those corporations have unilaterally stripped consumers of traditional legal rights. It has been a pervasive business practice: By the beginning of 2009, consumers could not get a credit card, use a cell phone, get a loan or enter into other consumer transactions, without waiving 1) our Seventh Amendment right to a jury trial, 2) our right to use the courts created by Article 3 of the Constitution, and 3) our right to get the benefits of a class action under Rule 23 of the Rules of Civil Procedure. These agreements forced us to resolve our disputes in private arbitration systems, whose rules have been written by large corporations, rather than the public courts that were created for us by our state and federal constitutions.

“One year ago, as the result of actions by the House Domestic Policy Subcommittee of which I am the Chairman, and actions by the Attorney General of Minnesota, consumers won a victory over the use of forced arbitration to collect consumer debts.

“We convinced both of the national arbitration providers, which previously handled almost all of those debt collection arbitrations, to discontinue that practice. After the Subcommittee’s hearing on July 22, 2009, there was no national arbitration service available to handle those debt collection arbitrations. Since that hearing, my staff has been communicating with the major credit card issuers, to determine whether they were going to change the arbitration policies in their consumer contracts.

“Nine banks have now announced their intention to abandon the practice of using arbitration to collect their debts. Seven of them have announced their intention to remove arbitration entirely from their credit card agreements. Three of those will no longer require a jury trial waiver or a class action prohibition.

“The chart attached lists the major banks according to the extent to which their credit card agreements take away your legal rights as a condition of using their credit cards. The banks at the top of the list have agreements that do not restrict the rights discussed above. The banks at the bottom have agreements that restrict your rights the most. If your rights are important to you, you can use this chart to find a bank that restricts your rights the least.”

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